



DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

CATEGORICAL EXCLUSION

TO: All Interested Citizens, Government Agencies and Public Groups

In accordance with the Nebraska Drinking Water State Revolving Fund (DWSRF) environmental review process, which is based on the National Environmental Policy Act (NEPA), an environmental review has been performed on the proposed agency action below:

This information reviews the environmental impact likely from a project. This project is planned to be federally funded wholly or in part through your tax dollars; therefore, you are entitled to take part in its review. If you have concerns about the environmental impact of this project, please provide them at this time. The Nebraska Department of Environment and Energy (NDEE) encourages public input in this decision-making process.

PROJECT NAME: Water Treatment Plant Rehabilitation
APPLICANT: City of David City
COUNTY: Butler
POPULATION: 2,995
DWSRF PROJECT NUMBER: D311686
TOTAL PROJECT AMOUNT: \$12,000,000
PROPOSED DWSRF LOAN FORGIVENESS AMOUNT: \$6,318,000

The City of David City has applied for funding, through the DWSRF program administered by the NDEE, to improve their existing water treatment plant filters, convert from lime softening to reverse osmosis, upgrade chemical feed systems, and provide other general water plant improvements.

According to the Priority Ranking System this project is considered to be a high priority and was included on the Funding List in the State Fiscal Year 2023 Intended Use Plan (IUP). Based on supporting documentation on file with the NDEE, this project was determined to be eligible for a 30-year loan with up to 52.65% of Loan Forgiveness with an annual interest rate of 0.5% and administrative fee of 0.5% on outstanding principal loan amount per the criteria listed in the IUP. The current residential water rate is \$28.50 per month, with an added consumption charge of \$3.41 for every 1,000 gallons of water used. The annual DWSRF Debt Service (including 10% coverage) is \$255,625. Based upon the 1,269 active service connections, residential water rates could potentially be raised \$16.79 per month to address the new debt service, with a typical residential rate being \$62 per month based on a 5,000 gallon per month household use.

After project construction, a final assessment of revenues and costs will be analyzed to determine any needed user charge adjustment. The EPA Sustainability Tool spreadsheet indicates a moderate sustainability risk with the proposed project.

The proposed project was reviewed for eligibility for a categorical exclusion from National Environmental Policy Act review specified in 40 CFR (Code of Federal Regulations) Part 6.204. The project meets all criteria described in the above reference and the Department has determined that this project is eligible for a categorical exclusion. Consequently, a preliminary decision has been made that a Finding of No Significant Impact will not be prepared. The project as proposed is primarily the replacement of existing infrastructure. Justification for categorical exclusion includes:

- The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time;
- The proposed action is not known or expected to significantly affect federally listed threatened or endangered species or their critical habitat;
- The proposed action is not known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric archeological or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places;
- The proposed action is not known or expected to significantly affect environmentally important natural resource areas as wetlands, prime farmland, wild and scenic rivers, and significant fish or wildlife habitat;
- Based on a review of the available mapping, no portion of the project lies within the 100- year floodplain. In addition, this project meets the Federal Flood Risk Management Standard for federally funded projects set by Executive Order (EO) 14030, Climate-Related Financial Risk, reinstating EO 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input (January 30, 2015);
- The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans;
- Based on review there are no new/relocated surface or groundwater discharges; the project is not being developed to provide capacity to service a population greater than 30% of that existing for the community; it is not primarily needed for future growth and is supported by a State growth strategy; and
- The proposed action is not known or expected to cause significant public controversy.

The City has a permit to operate a public water system under the provisions of the Nebraska Safe Drinking Water Act and the Regulations Governing Public Water Supply Systems, Title 179. The proposed project is determined by NDEE to help the public water system maintain compliance with the Safe Drinking Water Act. The system last underwent a routine sanitary survey in May of 2020, wherein one minor deficiency was noted and addressed in April of 2020. That completed survey is the first step of the Technical, Managerial, and Financial (TMM) program policy. David City will still be required to undergo a TMM Assessment by the NDEE, to ensure that their capabilities meet the requirements of the Safe Drinking Water Act. Also, their current Enforcement Targeting Tool score is 0, well below the allowable 11 per issued U.S. Environmental Protection Agency guidance.

The NDEE shall revoke the categorical exclusion and shall require a full environmental review if, subsequent to the granting of exclusion, the state determines that the proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project; or new evidence reveals that serious local or environmental issues exist; or federal, state, local or tribal laws are being violated.

This action is taken on the basis of careful review of the application and other supporting data, which are on file in the office of the NDEE. These are available for public review upon request. Persons having a comment on this categorical exclusion determination are encouraged to submit such comments directly to the NDEE State Revolving Fund Program at ndee.srf@nebraska.gov, or at 402-471-4200..

Signed this 24th day of February, 2023.

Sincerely,



Sarah Starostka, Administrator
Planning and Aid Division

Attachments: Distribution List
Map

CATEGORICAL EXCLUSION DISTRIBUTION LIST
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MAP

